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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, March 3, 2003

APPLICATION OF

CASE NO. PUC-2003-00027

NTELOS TELEPHONE INC.,
ROANOKE & BOTETOURT
TELEPHONE COMPANY,
NTELOS TELEPHONE LLC,

and

R&B TELEPHONE LLC

For approval of certain transactions pursuant to
Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On February 24, 2003, NTELOS Telephone Inc. (“NTELOS Telephone”), Roanoke & Botetourt Telephone Company (“R&B Telephone”), NTELOS Telephone LLC, and R&B Telephone LLC (collectively, “Applicants”) filed an application with the State Corporation Commission (“Commission”) under Chapter 4 of Title 56 of the Code of Virginia requesting approval for the transfer of NTELOS Telephone’s and R&B Telephone’s membership interests in Virginia Telephone Alliance, L.C. (“VITAL”), to NTELOS Telephone LLC and R&B Telephone LLC, respectively.

NTELOS Inc. (“NTELOS”) is a Virginia corporation headquartered in Waynesboro, Virginia. NTELOS is an integrated communications provider that offers products and services to customers in Virginia, West Virginia, Tennessee, Kentucky, and North Carolina, including wireless digital PCS, dial-up Internet access, high-speed DSL, and local and long distance

telecommunications services. NTELOS is the parent company of several subsidiary companies, including two Virginia incumbent local exchange carriers (“ILEC”), R&B Telephone and NTELOS Telephone.

NTELOS Telephone is a certificated ILEC that provides telecommunications services primarily in Allegheny County, the Cities of Covington and Waynesboro, and the Town of Clifton Forge. R&B Telephone is certificated as an ILEC that provides telecommunications services in Botetourt County.

NTELOS Telephone LLC is a single-member Virginia limited liability company (“LLC”) wholly owned by NTELOS Telephone. R&B Telephone LLC is a single-member Virginia LLC wholly owned by R&B Telephone.

On June 23, 1993, NTELOS Telephone and R&B Telephone and several other Virginia public service companies (collectively referred to as “Members”)¹ filed Articles of Organization with the Commission to form VITAL. VITAL’s purpose was to deploy two signal transfer point nodes in a nationwide SS7 network. The Members have used these nodes to deliver intelligent network services to their customers and to provide other related services. These nodes are located in Troutville and Waynesboro, Virginia.

The Members entered into an Operating Agreement (“Agreement”) on June 30, 1993, providing for the terms and conditions under which VITAL would be operated. NTELOS Telephone currently owns 44.7% membership interest, and R&B Telephone holds a 9% membership interest in VITAL.

¹ The other current members are Buggs Island Telephone Cooperative, Citizens Telephone Cooperative, Highland Telephone Cooperative, Mountain Grove-Williamsville Telephone Company, New Hope Telephone Company, North River Telephone Cooperative, Pembroke Telephone Cooperative, Scott County Telephone Cooperative, and Shenandoah Telephone Company.

NTELOS Telephone and R&B Telephone have each formed a single-member, wholly owned LLC for the purpose of holding its VITAL membership interests. NTELOS Telephone and R&B Telephone, therefore, request approval to transfer their respective membership interests in VITAL to NTELOS Telephone LLC and R&B Telephone LLC, respectively. NTELOS Telephone and R&B Telephone represent that these transfers will be in the public interest and will not be disruptive to the current operations of VITAL, NTELOS Telephone, or R&B Telephone.

NOW THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described transfers of membership interests in VITAL are in the public interest and should, therefore, be approved. We note that the Agreement referenced herein did not initially require Commission approval under Chapter 4 of Title 56 of the Code of Virginia because no affiliated interests were parties to the agreement. Such was not the case after NTELOS² acquired R&B Telephone. At that time, R & B Telephone and NTELOS Telephone should have filed and obtained approval to participate in the agreement. A new Operating Agreement should be filed for approval incorporating R&B Telephone LLC and NTELOS Telephone LLC as parties to the agreement and reflecting NTELOS Telephone's and R & B Telephone's interests in such entities.

In addition, the Commission is advised by its Staff that there is a Maintenance Agreement among the Members. Such agreement also requires Commission approval pursuant to the Affiliates Act.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code of Virginia, NTELOS Telephone and R&B Telephone are hereby granted approval to transfer their respective interests to NTELOS Telephone LLC and R&B Telephone LLC as described herein.

(2) Within 30 days from the date of this order, Applicants shall file an application for approval of a new Operating Agreement and Maintenance Agreement for the operation of VITAL reflecting NTELOS Telephone LLC and R&B Telephone LLC as parties to the Operating Agreement and the Maintenance Agreement and reflecting the interests of NTELOS Telephone and R&B Telephone in such entities.

(3) The approval granted herein shall have no ratemaking implications.

(4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

(5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission otherwise regulates such affiliate.

(6) The transactions approved herein shall be included in Applicants' Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting by April 1 of each year, subject to extension by the Director of Public Utility Accounting.

(7) There appearing nothing further to be done in this matter, it hereby is dismissed.

² At the time of the acquisition NTELOS was known as CFW Communications Company.